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UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

Distr.:
GENERAL

E/ECA/TRADE/89/27
17 November 1989
Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA

Technical Meeting of Experts to the Tenth
Meeting of the Conference of African
Ministers of Trade

Addis Ababa, Ethiopia
13-16 November 1989

LC/MAIROBI

REPORT OF THE TECHNICAL MEETING OF EXPERTS PREPARATORY TO THE TENTH MEETING OF THE CONFERENCE OF AFRICAN MINISTERS OF TRADE

Opening of the meeting (Agenda item 1)

1. The Technical Meeting of Experts Preparatory to the Tenth Conference of African Ministers of Trade was held at Africa Hall, Addis Ababa, Ethiopia from 13 to 16 November 1989. The opening ceremony was chaired by His Excellency Mr. S.M. Musoke, The Ambassador of Uganda, in his capacity as Vice-Chairman of the outgoing Bureau of the Intergovernmental Group of Experts meeting preparatory to the 9th Conference of African Ministers of Trade held in March 1987.

2. The meeting was officially opened by Comrade Getachew Desta, Vice-Minister of Foreign Trade of the People's Democratic Republic of Ethiopia. In his statement, Comrade Getachew first of all welcomed the delegates to Addis Ababa. He then proceeded to make a number of observations regarding Africa's foreign trade situation. He noted the continuing decline of commodity prices against the background of soaring prices of Africa's imports. He also pointed to the fact that Africa's deteriorating terms of trade were aggravated by protectionist measures by the industrialized countries against goods from the developing world which together with advances in technology led to reduced demand for primary commodities. These have led to serious negative repercussions on Africa's development process.

3. Turning to the significance of the Lagos Plan of Action, he reiterated that its objectives were part of the measures to counter Africa's trade problems through the creation of a number of subregional economic integration groupings and other supporting institutions such as clearing and payments mechanisms to promote trade among the African countries. In concluding his statement, he noted that there had not been much progress achieved in implementing the Lagos Plan of Action in the field of trade and he therefore emphasized the need for African countries to increase cooperation among themselves to ensure

a better economic environment for Africa's economic development. African countries, he further stated, should intensify their actions to facilitate trade among themselves in order to reduce their dependency on developed nations

4. The Deputy Executive Secretary of the Economic Commission for Africa, in his statement, also welcomed the participants to the meeting before drawing their attention to the fact that the Lagos Plan of Action placed particular emphasis on trade expansion as the basis for Africa's self-sustained development. He then proceeded to emphasize the important role of the meeting to review Africa's trade and her continued reliance on the external sector which had been consistently disappointing in its bid to ensure Africa's economic development. In that regard, he pointed out that the alternative for African countries was clearly to undertake further efforts to expand their domestic, intra-African and external trade in order to enhance the rate of growth of the economies in the 1990s.

5. He concluded his statement by recalling the need for particular attention to be paid to supply and demand studies with a view to identifying the basic needs of the African peoples, the complete overhaul of African production structures in order to produce the goods needed, to undertake appropriate campaigns to change consumer habit towards increased consumption of African goods and to promote trade among the African countries in raw materials in order to diversify the production base in Africa. He then invited the delegates to consider the adoption of a programme of action that could possibly ensure sustainable development of trade as a real instrument for Africa's socio-economic development.

6. The meeting was attended by representatives of the following countries: Algeria, Botswana, Burundi, Cameroon, Chad, Congo, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Guinea, Kenya, Liberia, Libya, Malawi, Morocco, Mozambique, Niger, Nigeria, Rwanda, Sierra Leone, Somalia, Sudan, Tanzania, Uganda, Zambia, Zaire and Zimbabwe.

7. The following organizations attended as observers: United Nations Development Programme (UNDP), The Organization of African Unity (OAU), The International Trade Centre (ITC), The Arab League and the Panafrican News Agency (PANA).

8. The meeting elected the following countries to constitute the bureau:

Chairman	-	Tanzania
Vice-Chairman	-	Cameroon
	-	Zimbabwe
	-	The Gambia
Rapporteur	-	Sudan

9. The meeting adopted the following agenda as amended:

1. Opening of the meeting
2. Election of officers
3. Adoption of the Agenda and Programme of Work
4. Review of the Implementation of Lagos Plan of Action in the Field of Trade
5. Recent trends and developments in international trade relations: Alternative Policies for Africa's trade relations within the ACP/EEC framework and the Uruguay Round of negotiations
6. Consideration of the Report on the Fifth All-African Trade Fair
7. Consideration of the Draft Addis Ababa Strategies for Revitalizing Africa's Trade Recovery and Growth in the 1990s
8. Any other business
9. Dates and venue of the next Conference of African Ministers of Trade
10. Adoption of the Report

Review of the Implementation of the Lagos Plan of Action (Agenda item 4)

10. To assist with the deliberation under this item of the agenda, the meeting had before it the following documents:

(1) Trade Policy Reform and the Strengthening of Institutional Arrangements in the context of Structural Adjustment Programmes (E/ECA/TRADE/89/19);

(2) Report on Alternative Patterns of Structures and Mechanisms of Domestic Trade in Africa (E/ECA/TRADE/89/14);

(3) Intra-African Trade: Situation, Problems and Prospects (A General Analysis) (E/ECA/TRADE/89/15);

(4) Report on Trends in Interregional Trade Between Africa and Other Developing Countries (E/ECA/TRADE/89/9);

(5) Mechanisms for Facilitating Trade Between African Countries and China (A Study of Selected African Countries) (E/ECA/TRADE/89/7);

(6) Progress Report on the Implementation of the Global System of Trade Preferences among Developing Countries (GSTP) (E/ECA/TRADE/89/21);

(7) Report to the Conference of African Ministers of Trade on the Situation of Trade Relations Between Africa and China (E/ECA/TRADE/89/24);

(8) Mechanisms on Integrating Women in Trade and Commerce: Situation and Prospects (E/ECA/TRADE/89/20).

11. In the general introduction of the agenda item, a representative of the secretariat recalled that the basic elements of Africa's trade and the provisions of the Lagos Plan of Action were to promote trade as the main engine for Africa's growth and development. The Lagos Plan of Action had called for specific actions to be taken in the field of trade within a specified time frame. The overall experience was that the Lagos Plan of Action had largely not been implemented by member States except in the area of institution-building. It was also true that despite the establishment of the institutional framework both at national and intra-African level, many of the targets proposed in the Lagos Plan of Action were not realized. Contrary to the decisions taken, trade among African countries continued to face tariff and non-tariff barriers, which according to the Plan should have been entirely removed by 1990. The mechanisms to facilitate trade such as multinational production and marketing enterprises and commodity exchanges had not been established in spite of the secretariat's effort to assist member countries in doing so. Other institutions such as the Federation of African Chambers of Commerce, and the Association of African Trade Promotion Organizations (AATPO) had been established but were non-operational due to lack of financial support from member countries. One of the main reasons for the non-implementation of the Lagos Plan of Action in general and in the field of trade in particular, was the absence of implementation and follow-up mechanism both at the national and subregional levels to ensure the development of individual country programmes and activities envisaged in the Plan.

12. In the field of domestic, transborder and intra-African trade, the representative of the secretariat referred to documents E/ECA/TRADE/89/14 and 15 referred to above. He drew the attention of the meeting to certain major issues faced by African countries in these sectors as seen from the analyses carried out by the secretariat. The reports also contained a set of proposals to deal with these issues which would serve as the basis for preparing a set of recommendations for consideration by the Conference of the African Ministers of Trade.

13. Discussing many of these issues and in particular those relating to domestic trade, the meeting observed the unbalanced structure of investment in African countries which placed emphasis on production of export crops and other primary commodities at the expense of production of food and consumer goods needed to meet domestic demand within Africa. The present structures of domestic trade were based essentially on food commodities produced under subsistence economy structures with little support to the rural sector in terms of investment, credit facilities, infrastructural development such as road and transport network, storage and distribution mechanisms to encourage production and trade. Trade in manufactured goods constituted a small proportion of domestic trade in the rural areas in contrast with the situation in the urban and informal trade sector of the peri-urban areas.

14. The meeting endorsed the view that the low level of income in rural areas seriously affected the purchasing power of rural populations and explained the undeveloped nature of domestic trade in African countries. The meeting therefore agreed that appropriate pricing policies for agricultural products should be adopted by African countries to improve farmers' income levels. The lack of trade distribution networks, the low level of entrepreneurial skills in trade and the limited range of goods, were also identified as major obstacles to the expansion of domestic trade in Africa. It was also recognised that the lack of information as well as measures on quality control to protect consumers were an obstacle to such trade. One delegation pointed out that domestic trade legislations were essential to ensure adequate distribution of goods in rural areas as well as price control to prevent excessive profit margins. Another delegation pointed out that price control could affect rural populations more adversely than urban populations leading to low productivity and reduced level of production. However, that problem was generally considered to be the result of poor pricing policies rather than price control. With respect to marketing the lack of storage and preservation facilities were also highlighted as major constraints in domestic trade.

15. With regard to transborder trade, the meeting noted that a considerable volume of such trade took place across the borders of African countries but went unrecorded. On the basis of the analyses in the reports submitted to the meeting, it was recognized that by calling it illegal, this did not enhance this type of exchange. Therefore given its extent, there was a need for action by African countries to consider ways of legalizing or institutionalizing transborder trade. The meeting agreed with many of the findings in the study which if implemented could assist African countries in expanding their domestic trade. For instance, a number of measures including principally the restructuring of production to ensure self-sufficiency in food requirements, the balance in investment between production for export and for internal consumption including the production of mass consumer goods, the development of physical infrastructure to facilitate internal distribution, storage and trade, the availability of credit and other financial resources to the rural sector needed to be taken.

16. Turning to intra-African trade, the meeting acknowledged that in spite of the fact that economic integration groupings had been created at sub-regional level, the level of trade among African countries had not increased significantly since the African countries achieved their independence. Although intra-African trade had been considered to be the main engine for the economic growth and development of Africa, a number of obstacles continue to stand in the way of its expansion. Some of the major issues of intra-African trade seemed to revolve around physical, institutional, financial as well as policy problems which need to find urgent solutions. The main obstacle was that the structure of African production continued to be geared towards production of primary commodities for export to the industrialized countries. Following the debate of the issue, the meeting proposed a number of policy recommendations with a view to removing the various obstacles to intra-African trade which the meeting of the Conference of African Minister of Trade could consider.

17. The meeting agreed that production should be geared essentially towards the satisfaction of demand for consumer goods by the African population. Other serious constraints identified were lack of financial resources, lack of information on availability of goods, pricing and quality, poor trade networks which were geared to trade with the industrialized countries, the low level of technological know-how and the lack of expertise to take advantage of technological changes which rendered the comparative advantage of African countries based on resource endowments no longer valid as a basis for developing Africa's production and trade structures. Some delegations also stressed the need to establish African Multinational Companies and Joint Ventures to ensure the expansion of African products in the flow of goods traded within the region.

18. The organisation of regional trade fairs was considered by the meeting as another major element of intra-African trade. It was agreed that support should be given to member countries in organizing trade fairs both at national and pan-African levels by undertaking market studies and providing trade information to participating countries well in advance of the trade fairs themselves to ensure effective participation.

19. The important role of women in trade was stressed by the meeting which agreed that considerable support should be provided to women traders in view of their numerical importance in that sector. Four areas were identified where action should be undertaken namely development of information networks, provision of export credit and financing, development of marketing management and basic training skills in the trade sector.

20. With regard to Africa's external trade, the meeting considered a number of documents. These were: "Report on Trends in Interregional Trade Between African and Other Developing Countries" (E/ECA/TRADE/89/9); "Progress Report on the Implementation of the Global System of Trade Preferences Among Developing Countries" (E/ECA/TRADE/89/21); "Report of the Situation of Trade Relations Between Africa and China" (E/ECA/TRADE/89/24); and "Mechanisms for Facilitating Trade Between African Countries and China" (E/ECA/TRADE/89/7). In introducing these documents, a representative of the secretariat recalled that each of them had been prepared pursuant to the decisions adopted by previous sessions of the Conference of African Ministers of Trade.

21. The ensuing debate highlighted a number of serious constraints that continued to hinder the expansion of trade between Africa and other developing countries, as well as that with the socialist countries. In particular that these constraints were in part a manifestation of the lack of diversification in both production structures and exports. Among other negative factors cited was the inadequate institutional machinery aimed at supporting these trade flows. The meeting took note of the fact that the secretariat had regularly been assisting member countries in international negotiations to take full advantage of measures proposed within the Global System of Trade preferences among Developing Countries (GSTP), the Uruguay Round of Negotiations under the aegis of GATT for the implementation of the Generalized System of Preferences, and the negotiations within the framework of UNCTAD and within the context of the Lome Convention. However, participation by member countries have been at variance with their declared intentions, in particular with regard to the GSTP where the agreement has been ratified by only 4 African countries.

22. Concerning trade with the socialist countries, the meeting highlighted the efforts made by the secretariat to assist member countries in participating in seminars and business tours to promote such trade. Discussing the report on trade between Africa and China, which had revealed considerable potential, the meeting underlined that trade even with this country would only expand on the basis of high quality of products because China like any other trading nation would not import from Africa unless the goods were either really needed or competitive.

23. Taking Africa's trade in all its aspects, a number of important points were made with a view to spelling out the priorities for Africa in revitalizing its domestic, intra-African and external trade. The problems facing African trade were numerous indeed but, in order to ensure that member countries adopt concrete measures to deal with Africa's trade problems, it was observed that priority should be accorded to developing trade information and direct support to trade operators in both the public and private sectors. Drawing on some of the studies carried out by ITC, it was indicated that, in West Africa up to 53% of foreign exchange spent on imports were for goods available within the region. For Eastern and Southern Africa, the figure was about 50% while for Central Africa, it was 33%. However, the importation from outside Africa, of goods available within the region, could be explained by the lack of information but could also partly be because of the poor quality of the goods produced in Africa. It was therefore necessary to adopt measures to increase the flow of information, to assist businessmen in improving the quality of goods and trade promotion activities. Financial support from donor agencies should be sought to assist member countries in this regard. The meeting recommended that UNDP should consider trade as a priority in its Fifth Programming Cycle.

24. The meeting took note of other obstacles to intra-African trade which needed to be dealt with. These included the establishment of large trading companies whether public or private. The advantages of large companies resided in their ability to develop advertizing activities, trade promotion compaigns to mention but a few. Africa is also urged to develop trade in components, spare parts, and industrial raw materials as opposed to trade in finished products only. Consequently there was a necessity for African countries to review trade facilitation measures, especially for landlocked coutnries whose trade is subject to frequent checks in transit countries.

25. Several delegations repeatedly referred to the low level of implementation of the Lagos Plan of Action in the field of trade and supported the proposal to develop a strategy accelerating the implementation of the trade related measures contained in Lagos Plan of Action. In ~~that~~ regard, the strategy should be based on a reassertion of the political will of member countries based on their commitments to the Lagos Plan of Action and in the many resolutions adopted at various conferences on trade. The meeting emphasized that the strategy should call for measures to revitalize Africa's trade which has been hindred by weak institutional support. Existing subregional institutions should be strengthened in their operational capabilities. Furthermore, the meeting was of the view that to achieve the objectives laid down in the Lagos Plan of Action, the establishment of a specific mechanism for follow-up action by individual countries was necessary. Already a number of the measures proposed in the Lagos Plan of Action had been successfully implemented by some countries while others had failed to do so. There was therefore a need for increased cooperation among African countries to promote joint production and marketing partly with the help of the international donor community but essentially from the resources of the African countries themselves.

26. In general terms, many delegations reiterated the root cause of Africa's poor trade situation which was to be found in its production structure that needed to be radically changed in order to basically produce for African consumption. For Africa's external trade, either within the North/South framework or under the GATT Rules, a limited number of products should be identified with a view to ensuring that African countries do not develop similar production structures with the other developing regions, especially regarding the diversification of production based on agro-industrial production that is a fundamental strategy for African countries in promoting their external trade. Member countries should also be assisted in developing their trade promotion structures as well as in their import procurement management and strategy.

27. In concluding the debate under this item of the agenda, the meeting agreed that the strategy for dealing with Africa's trade problems hinged on the political will of member countries to fully implement the related provisions of the Lagos Plan of Action and to assist trade operators at the grass root level. The meeting emphasized the following issues to be brought to the attention of the ministers.

Domestic trade

(a) The limited supply of consumer goods both agricultural and industrial to meet the needs of African population;

(b) The lack of appropriate pricing policies for agricultural and cottage industry products;

(c) The lack of suitable distribution channels and storage facilities for perishable goods and other agricultural products;

(d) The lack of transport infrastructure;

(e) The lack of financial support to traders in the informal sector;

(f) The lack of information on domestically available products;

(g) The lack of credit facilities to the rural sector;

(h) The lack of appropriate marketing infrastructure to promote the distribution of goods in rural areas.

Intra-African trade

(a) The diversification of production to meet the demand of African people for mass consumer goods;

(b) The need to intensify cooperation within and between subregions to promote trade expansion;

(c) The need to establish a follow-up mechanism for the implementation of the provisions of the Lagos Plan of Action;

(d) The need to develop mechanisms for trade information exchange and to promote national and regional trade fairs;

(e) The direct support of trade operators in the field by organising training programmes, seminars, business tours, etc.;

(f) Develop joint production and marketing structures to promote the use of local raw materials for the production of mass consumer goods;

(g) A specific programme to assist women traders in developing their domestic as well as intra-African trade potential;

(h) Measures to ensure adequate credit facilities are available to businessmen.

International trade

(a) The diversification of production based on agro-industrial production;

(b) Strengthening of production structures to participate effectively in international negotiations;

(c) The restructuring of production based on the adoption of technological innovations;

(d) Bilateral agreements for trade exchanges between Africa and China under compensatory schemes;

(e) Expanding the production bases for intra-African and international trade.

Recent trends and developments in international trade relations: Alternative policies for Africa's trade relations within the ACP/EEC framework and the Uruguay Round of negotiations
(Agenda Item 5)

28. Under this agenda item the secretariat made available as background the following documents: "Report on Recent Trends and Developments in International Trade Relations" (E/ECA/TRADE/89/16), "Review of Developments in the Uruguay Round" (E/ECA/TRADE/89/16/Add.1), "Report on the Implementation of Integrated Programme for Commodities" (E/ECA/TRADE/89/17), "Mechanisms for Diversifying Commodity Trade Including Policy Options Towards Processing and Industrialization in Africa" (E/ECA/TRADE/89/10), "Report on the Structures and Management of African State Trading Organizations" (E/ECA/TRADE/89/18) and "Trade Policy Reforms and Strengthening Institutional Capabilities within the Context of Structural Adjustment Programmes "(E/ECA/TRADE/89/19).

29. In presenting the above documents, a representative of the secretariat drew attention of the meeting to the fact that Africa has been largely by-passed and got little benefits from the recent recovery in world trade. He then proceeded to highlight activities undertaken by the secretariat with a view to assisting African countries to participate effectively in international trade negotiations such as UNCTAD VII, the Uruguay Round of Multilateral Trade Negotiations and the renegotiation of the Successor Arrangement to the ACP/EEC Lome III Convention. He also highlighted a number of problems faced by African countries in these negotiations. They include slow progress in the Uruguay Round and the danger of sidestepping issues of interest to developing African countries and difficulties likely to arise for the ACP Group after the advent of the Single European Market beginning 1992. Hence, some concrete recommendations were proposed in order to promote processing of primary commodities in African countries and to achieve meaningful export diversification.

30. On the issue of State Trading Organizations (STOs) management and trade policy reforms within the structural adjustment programmes, the secretariat pointed to several options under the present circumstances which could be

reported to in rationalizing the activities of the STOs. The secretariat stressed the view that such rationalization was preferable as way of facing up to the challenge posed by liquidation or privatization of the STOs that would only add to the current economic depression in member countries. The recommendations suggested included redefining their objectives, increasing their autonomy and introducing principle of self-financing.

31. A representative of the OAU Secretariat discussed problems relating to Africa's dependence on primary commodity production and exports and emphasized the interaction of supply constraints on the part of African countries themselves, collapse in primary commodity prices and technological advances as factors that were needed to be on the agenda as part and parcel of the question of transformation of the production base. In this respect, he emphasized the need for new and radical approaches needed to enable Africa diversify its exports and make inroads into the market of manufactures. One of the possible measures suggested was to revive corporations or concerns dealing with the production, marketing and distribution of products on a large scale.

32. In the discussion which followed, the meeting agreed that not much progress had been achieved in restructuring Africa's external trade and that the results so far obtained in major international trade negotiations were largely disappointing for African countries. A number of delegations raised the issue of changed international environment that resulted in the preferential treatment previously enjoyed by the region being discontinued. Similarly, it was stressed that new developments on the international trade scene should require a more serious approach by African countries in the implementation of the Lagos Plan of Action and the process of economic integration on an African regional level so as to avoid further marginalization of the continent in the world trade.

33. In concluding the discussion under this agenda item and bearing in mind the need to reverse the present negative trends in Africa's external sector, production structures had to be strengthened along with research and development capabilities and marketing systems of African countries. This could also

include creating a planning institution on a pan-African basis which could co-ordinate development activities and, in particular, those related to external trade. A majority of delegations also expressed the view that negotiations capacities of African countries had to be significantly strengthened with a view to enabling them derive maximum benefits from the ongoing international negotiations.

34. The meeting took note of progress in the implementation of project RAF/87/157 "Support to Africa in the Uruguay Round of Multilateral Trade Negotiations" and expressed appreciation to the UNDP which had made resources available pursuant to the request made by the Conference of Ministers during their 8th Session in Brazzaville in 1985. The meeting then recommended that UNDP be further requested to consider continuing to provide resources for technical assistance to African countries by ECA, UNCTAD and OAU not only to activate Africa's participation in the Uruguay Round but also to analyse and undertake follow up action with a view to building up the African countries' institutional negotiating infrastructure. UNDP is also requested to provide additional financing for market analysis and data on trade restrictions(SMART) for African countries to participate actively in bilateral and multilateral trade negotiations in order to secure more gains and increase their export earnings.

35. A view was also expressed that African countries should take a specific stand within the Group of 77 so as to secure Africa's interests since that Group was no more homogenous and more developed among the developing countries would have to make certain concessions to their less developed partners. In the same vein, specific African positions had to be adopted in the revitalized North-South dialogue, as well as on issues to be covered by the International Development Decade for the 1990s.

36. The Chairman summarized the consensus which had emerged, laying particular emphasis on Africa's present dependence on primary commodity production as inherited from colonial times which had to be changed and that the production

base of African countries had to undergo a major transformation and re-structuring. He concluded by stating that perspectives for such changes lay mainly in the creation of Africa's internal markets for manufactured products at national, subregional and regional levels.

37. In view of the debilitating effects of external factos, the meeting also stressed that policies emphasizing Africa's overdependance on foreign trade and foreign factors should be seriously reviewed and reoriented. The classical and neo-classical assumption that the export of primary commodities is the engine of growth should be abandoned, and the internally-induced structural adjustment strategies should include:

(a) the reduction of Africa's overdependance on imports through restrictive import programmes based on essential needs and productive factors such as machines, raw materials;

(b) the granting of preference to locally produced goods over imported items of the same type. For this purpose, selected local production lines should be protected from unequal and unfair competition;

(c) production bases for exports should be widened through the processing of available primary commodities into semi-finished and finished products and through increased investments in the production of non-traditional export items; and

(d) Africa's sources of imports and direction of exports should be diversified towards markets other than those of traditional partners in the developed market economies such as developing countries markets, China, the socialist countries of Eastern Europe and the newly industrialized countries. This would reduce overdependence on traditional partners and strengthen bargaining positions of African countries.

38. With regard to STOs, the main focus for adjustment programmes included: privatization, liquidation and restructuring and rationalization. The meeting therefore recommended a more positive approach through reform, rationalization and restructuring process that might take two forms:

(a) reforms based on improving internal management factors of STOs, such as the definition of objectives, management autonomy based on contract-plans, financial structures and strategic corporate plans;

(b) spinning off of entreprises by breaking up large STO's into small and medium scale entreprises that would entail enhancing their entrepreneurship without sacrificing the safety act of employment and socio-economic functions of those organizations in line with the necessity of consolidating and improving economic structures at a time Africa is working on recovery and growth.

39. The meeting also took note of the UNDP funded project on "Selective Managerial Training for STO Development and Management... in Africa South of the Sahara" (RAF 88/012/051). As follow up to this project, the ECA secretariat in collaboration with the International Organizations of State Trading Organizations of Developing Countries (ASTRO) has prepared a project document for submission to UNDP Africa Bureau (RBA) which needed member-States' support. Similarly that a coordinating committee of African STOs with subregional representation is in the process of being established.

40. The meeting made proposals on restructuring and reforming STOs and urged ECA and ASTRO to extend their services to Marketing Boards with a view to strengthening them and rationalizing their functional structures Assistance to member-States for the establishment of multinational marketing entreprises which could help expand intra-African trade and reinforce Africa's bargaining positions in the international markets. It also expressed its appreciation to UNDP for its assistance to African STOs and appealed to UNDP to consider favourably the possibility of funding the follow up project to be submitted by ECA in collaboration with ASTRO.

41. The representative of the Secretariat introduced document entitled "Transnational Corporations in African Trade: Major Trends in Primary Commodities" (Doc. No. E/ECA/TRADE/89/26) based on a series of case studies of activities of transnational corporations in selected African countries. He pointed out that findings in the studies confirmed the continued dominance of transnational corporations in the local processing and export trade of African primary agricultural commodities, in spite of the African governments' legislation promulgated specifically to control the activities of these enterprises and their price structure relating to exports. Other parallel actions taken by the African governments include the setting up of parastatal bodies in the hope of mitigating the influecne of TNCs. The introduction concluded by drawing the attention of the commodity exporting African countries to brace themselves for protracted negotiations with TNCs to the year 2000 and beyond, if they intend to change the present situation.

42. In order to rectify these anormalies and ensure that maximum benefits are derived from the presence of transnational corporations to the host African countries, the meeting therefore suggested that African governments should consider the following measures: (a) devise new measures or mechanisms, incentives and support structures to encourage more effective participation of the private sector in intra-African trade promotion and expansion; (b) develop a new dialogue with Transnational Corporations (TNCs) to mutually agree to reverse the trends in the extractive and mining industries which now concentrate on exporting crude minerals while only a small amount of processing was undertaken; (c) define the framework for new joint venture agreement, involving foreign as well as local investors and manufactures; under which new product brands are to be produced and exported.

Report on the Fifth All-Africa Trade Fair and Preparations for the Sixth All-Africa Trade Fair (Agenda Item 6)

43. Consideration of Agenda item 6 on the Report on the Fifth All-Africa Trade Fair, a representative of the secretariat of the Organization of African Unity (OAU) introduced the following two documents: "Report on the Fifth All-Africa Trade Fair" (CM/1522(XLIX) and the other prepared by a consultant entitled " An Evaluation of the All-Africa Trade Fair" (ITC/DTS/88/141). Highlighting the results of the Fifth All-Africa Trade Fair which was held in Kinshasa, Zaire from 16 to 31 July 1988 and attended by 31 African countries, he informed the meeting of the decision taken by the Eighth Conference of African Ministers of Trade which had accepted the offer of Zimbabve to host the Sixth All Africa Trade Fair in 1992 and that the OAU has compiled a "Note on the Preparation for the Sixth All-Africa Trade Fair" contained in document OAU/ATD/EXP/1(X). He then pointed to the need to constitute an Organizing Committee for the Sixth All-Africa Trade Fair and recommended acceptance of holding the Fair to 1991 in order to avoid overlaping with the "World Expo" scheduled to be held at Spain in 1992 in which many African countries are already in an advanced stage of participation preparation.

44. In the absence of the consultant, the representative of International Trade Centre (UNCTAD/GATT/ITC) by virtue of his involvement in the preparations and evaluation of the Fair, made certain pertinent observations on Document ITC/DTS/88/141. He informed the meeting that the views expressed in the document do not reflect the official view of ITC but were rather influenced by experiences related to the venue (Kinshasa). However, the observation of the consultants that the Trade Fair brought into focus the persistence of physical and man-made obstacles to intra-African Trade expansion was duly noted to be taken into account in formulating recommendations to the Trade Ministers.

45. In the discussion that followed, problems connected with the mobilization of funds for participation in the Fair were cited. Principal among these include the prohibitive cost of renting space at the Fair ground, lack of advance

information on markets of the host country and difficulties of repatriating exhibit materials. The meeting also stressed the need for re-aligning particularly those differences relating to the figures reflected in the Reports of the OAU secretariat on the one hand, and that of the Consultant on the Fifth All-African Trade Fair on the other hand. In the light of these revelations, the meeting recommended that in the preparations for the Sixth All-African Trade Fair, ITC be requested to assist the OAU and the host country in areas of market surveys, technical planning, management and evaluation as well as in organizing a symposium on intra-African trade concurrent with the Sixth All Africa Trade Fair. By the same token, the meeting stressed the need to reflect issues relating to the All-Africa Trade Fairs in the draft Addis Ababa Strategy for Revitalizing Africa's Trade Recovery and Growth in the 1990s.

46. The representative of Uganda informed the meeting of her country's readiness to serve in the Organizing Committee for the Sixth All-Africa Trade Fair. The meeting also took note of the announcement made by the representative of Sudan about the 13th Session of Khartoum International Trade Fair to be held in Khartoum from 24 January to 9 February 1990 and urged all African countries to participate in the Fair.

Consideration of the Draft Addis Ababa Strategies for Revitalizing Africa's Trade Recovery and Growth in the 1990s

(Agenda Item 7)

47. The Secretariat introduced document No. E/ECA/TRADE/89/25 and pointed out that the document is a true reflection of the discussions that transpired on the consideration of the different items of the agenda of the meeting. He also emphasized that the document is not a duplication of the Lagos Plan of

Action (LPA) nor is it a departure from the commitment made to the LPA. It is complimentary to the objectives of the LPA and provides strategies that operationalize the effective implementation of the Lagos Plan of Action. The document is to be printed and widely distributed in several languages to reach, inter alia, the major participants in all fields of African trade. These strategies will address the major issues in the field of trade focusing on the areas of domestic, intra-African and international trade.

48. In the ensuing discussions, the following issues were raised by delegates for incorporation into the final draft of the strategies with a view to objectively reflect the consensus of member States in the field of trade:

(a) Shortage of modernized ports and a lack of standardization and quality control procedures;

(b) Marginalization of Africa in world trade despite all the efforts made in the context of the implementation of the Lagos Plan of Action;

(c) Slow level of adaptation to technological changes;

(d) Declining of primary commodity prices;

(e) Emergence of new trading patterns which might have adverse consequences for Africa's trade;

(f) Low levels of income in rural areas implying low purchasing powers;

(g) Lack of diversification of production.

49. Some delegates raised the issue concerning the seriousness of Africa with regard to revitalising its trade sector, particularly in the area of intra-African trade. They questioned member States commitment and willingness to redress current trade problems. In addition, organization and past performance of all-Africa trade fairs was reviewed and debated. A question was raised as to whether the document under consideration is a declaration or a plan. It was finally agreed that the critical point underlying the question above was the willingness of member States to commit themselves to the implementation of the strategies they adopt. A number of suggestions were made with regard to the title of the document so as to reflect the spirit of the Lagos Plan of Action. The non-convertibility of African currencies as a major obstacle towards the promotion of intra-African trade was raised and debated. In addition the need for a common currency was stessed. Finally, the delay in the establishment of the African Monetary Fund (AfMF) was also noted.

50. In the course of further deliberations the question of accountability with regard to the implementation of specific aspects of the strategies was raised, including the need for identification of focal points to be held accountable. The possibility of establishing African Multinational enterprises capable of opening branches in as many African countries as possible, with a view to promoting intra-African trade was raised.

51. agreed to recommend to the Ministers of the Draft Addis Ababa Strategies for Revitalizing Africa's Trade Recovery and Growth in the 1990s. In that context, it was agreed that the strategies should:

(a) be oriented towards and be clearly linked with the implementation of trade related measures contained in the Lagos Plan of Action and the Final Act of Lagos;

(b) address squarely the constraints faced by the African Governments in the course of the implementation of the Lagos Plan of Action;

(c) be action-oriented and include implementable measures and capable of attracting adequate financing as well as provisions relating to accountability, follow-up mechanisms and assessment of its implementation on a regular basis.

Any other business (Agenda Item 8)

Under this item of the agenda there was no other business raised.

Dates and venue of the next Conference of African Ministers of Trade (Agenda Item 9)

It was decided that this matter should be referred to the Ministers.

Adoption of the Report and the Draft Addis Ababa Strategy (Agenda Item 10)

After the adoption of the report and the Draft Addis Ababa Strategies, the Chairman thanked the delegates for their active participation and valuable constributions to the deliberations. He also thanked the secretariat and the interpreters for their contribution towards the success of the meeting. He then declared the meeting closed.